

# In the United States Court of Federal Claims

Nos. 97-381C & 97-3812C through 97-38129C

(Filed: September 2, 2004)

FRANCONIA ASSOCIATES, ET AL.,

Plaintiffs,

v.

THE UNITED STATES,

Defendant.

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## ERRATA

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Please substitute the attached page for the first page of the opinion in this case issued on August 30, 2004.

**IT IS SO ORDERED.**

s/Francis M. Allegra  
\_\_\_\_\_  
Francis M. Allegra  
Judge

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FRANCONIA ASSOCIATES, ET AL,	*	Rural housing program under section 515 of
	*	the Housing Act of 1949; Prepayment right;
Plaintiffs,	*	ELIHPA and the HCDA; Breach of
	*	contract; Unmistakability doctrine; Law of
v.	*	the case doctrine; Takings; Expectancy
	*	damages; Lost profits; Mitigation;
THE UNITED STATES,	*	Proximate result; Forseeability; Reasonable
	*	certainty; Time of breach; Discounted cash
Defendant.	*	flow; Speculation vs. reasonable
	*	approximation.

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## OPINION

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*Jeff H. Eckland*, Eckland & Blando, Minneapolis, Minnesota, for plaintiff.

*Shalom Brilliant*, U.S. Department of Justice, Washington, D.C., with whom was Assistant Attorney General *Peter D. Keisler*, for defendant.

### **ALLEGRA, Judge:**

“The United States are as much bound by their contracts as are individuals.”<sup>1</sup>

“You can check [in] any time you like, but you can never leave.”<sup>2</sup>

Following a remand from the Supreme Court, this contract case is before the court after a trial held in Des Moines, Iowa. Plaintiffs are various property owners that entered into mortgage contracts with an agency of the United States in exchange for providing low- and moderate-income rural housing. While these loan contracts allowed for prepayment, without restriction, Congress, concerned with the loss of rural housing due to such prepayments, subsequently enacted laws that significantly restricted the exercise of this right. Plaintiffs claim that this

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<sup>1</sup> *The Sinking Fund Cases*, 99 U.S. 700, 719 (1879).

<sup>2</sup> *The Eagles* (Don Felder, Glenn Frey & Don Henley), *Hotel California* (Asylum Records 1976).